LNF & IHCIF Calculations Illustration

- REDDING RANCHERIA IND HLTH SVS in California area -

Given Data

- 3,780 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 45% = % Expenditures on purchased services, 55% = % expenditures in-house
- 123.3% = Cost index for purchasing health care in this geographic area
- 116.7% = Size cost index for in-house costs due to small or large size
- 95.9% = California area cost index for health status above or below average

Cost Adjustment Calculations

- $1,653 per person for purchased services = 45% * 123.3% * $2,980
- $1,912 per person for in-house services = 55% * 116.7% * $2,980
- $3,566 per person total = $1,653 (purchase) + $1,912 (in-house)
- **$3,421 per person total** adjusted for health status = $3,566 * 95.9%
- **$2,676 per person net cost** = $3,421 - $745 Other resources (M&M&PI)

Existing Expenditures (for 3,780 users excluding wrap-around and collections)

- $1,262 per person = local IHS allowance (excludes $ for wrap-around)
- $222 per person = expenditures elsewhere in California area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$1,538 per person for OU users** = $1,262 + $222 + $54

LNF Calculation

- **45.0% Gross LNF** = $1,538 (expenditures) / $3,421 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **57.5% Net LNF** = $1,538 / $2,676 net cost ($3,421 - $745 other)

IHCIF Allocation

- $255,637 = $ to raise LNF% from 57.5% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$8,917 Allocation** = $255,637 needed for 60% * 3.488% IHCIF fraction

REDDING RANCHERIA IND HLTH SVS Unmet Needs

- **$10,113,492 Net Total Need** = 3,780 users * $2,676 net cost

- **$4,301,034 Net Unmet Need** = (100% - 57.5% LNF) * 3,780 users * $2,676 net cost